



House of Representatives

General Assembly

File No. 355

January Session, 2015

House Bill No. 5434

House of Representatives, April 1, 2015

The Committee on Insurance and Real Estate reported through REP. MEGNA of the 97th Dist., Chairperson of the Committee on the part of the House, that the bill ought to pass.

AN ACT REQUIRING HEALTH INSURANCE COVERAGE FOR A COURT-ORDERED CUSTODY EVALUATION FOR A MINOR.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. (NEW) (*Effective January 1, 2016*) Each individual health
2 insurance policy providing coverage of the type specified in
3 subdivisions (1), (2), (4), (11) and (12) of section 38a-469 of the general
4 statutes delivered, issued for delivery, renewed, amended or
5 continued in this state, shall provide coverage for the cost of a custody
6 evaluation for a minor that is ordered by a court and conducted by a
7 psychiatrist licensed under chapter 370 of the general statutes or a
8 psychologist licensed under chapter 383 of the general statutes. As
9 used in this section, "minor" means an individual under eighteen years
10 of age.

11 Sec. 2. (NEW) (*Effective January 1, 2016*) Each group health insurance
12 policy providing coverage of the type specified in subdivisions (1), (2),
13 (4), (11) and (12) of section 38a-469 of the general statutes delivered,
14 issued for delivery, renewed, amended or continued in this state, shall

15 provide coverage for the cost of a custody evaluation for a minor that
16 is ordered by a court and conducted by a psychiatrist licensed under
17 chapter 370 of the general statutes or a psychologist licensed under
18 chapter 383 of the general statutes. As used in this section, "minor"
19 means an individual under eighteen years of age.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>January 1, 2016</i>	New section
Sec. 2	<i>January 1, 2016</i>	New section

INS *Joint Favorable*

The following Fiscal Impact Statement and Bill Analysis are prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and do not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.

OFA Fiscal Note

State Impact:

Agency Affected	Fund-Effect	FY 16 \$	FY 17 \$
State Comptroller - Fringe Benefits (State Employee and Retiree Health Account)	GF, TF - Cost	See Below	See Below
The State	Indeterminate - Cost	See Below	See Below

Note: GF=General Fund and TF = Transportation Fund

Municipal Impact:

Municipalities	Effect	FY 16 \$	FY 17 \$
Various Municipalities	STATE MANDATE - Cost	See Below	See Below

Explanation

The bill will result in a cost to the state employee and retiree health plan¹, municipalities, and the state, for providing coverage for custody evaluations for a minor under the age of 18. The bill does not specify what constitutes a custody evaluation. The cost to the state health plan, the state in accordance with the federal Affordable Care Act (see below), and municipalities will depend on (1) what services are included in a custody evaluation, (2) the cost of services, and (3) utilization. For reference, in FY 14 the state health plan spent approximately \$3 million on outpatient psychological office visits and consultations.

Municipal Impact

¹ The state employee and retiree health plan is a self-insured health plan. Pursuant to federal law, self-insured health plans are exempt from state health mandates. However, the state has traditionally adopted all state health mandates.

As previously stated, the bill will increase costs to certain fully insured municipal plans that do not currently provide coverage for child custody evaluations. The coverage requirements may result in increased premium costs when municipalities enter into new health insurance contracts after January 1, 2016. In addition, many municipal health plans are recognized as “grandfathered” health plans under the ACA.² It is unclear what effect the adoption of certain health mandates will have on the grandfathered status of certain municipal plans under ACA. Pursuant to federal law, self-insured health plans are exempt from state health mandates.

The State and the federal ACA

Lastly, the ACA requires that, the state’s health exchange’s qualified health plans (QHPs)³, include a federally defined essential health benefits package (EHB). The federal government is allowing states to choose a benchmark plan⁴ to serve as the EHB until 2016 when the federal government is anticipated to revisit the EHB.

While states are allowed to mandate benefits in excess of the EHB, the federal law requires the state to defray the cost of any such additional mandated benefits for all plans sold in the exchange, by reimbursing the carrier or the insured for the excess coverage. State mandated benefits enacted after December 31, 2011 cannot be considered part of the EHB for 2014-2015 unless they are already part of the benchmark plan⁵. However, neither the agency nor the mechanism for the state to pay these costs has been established.

The Out Years

² Grandfathered plans include most group insurance plans and some individual health plans created or purchased on or before March 23, 2010.

³ The state’s health exchange, Access Health CT, opened its marketplace for Connecticut residents to purchase QHPs from carriers, with coverage starting January 1, 2014.

⁴ The state’s benchmark plan is the Connecticare HMO plan with supplemental coverage for pediatric dental and vision care as required by the ACA.

⁵ Source: Dept. of Health and Human Services. *Frequently Asked Questions on Essential Health Benefits Bulletin* (February 21, 2012).

The annualized ongoing fiscal impact identified above would continue into the future subject to inflation.

OLR Bill Analysis**HB 5434*****AN ACT REQUIRING HEALTH INSURANCE COVERAGE FOR A COURT-ORDERED CUSTODY EVALUATION FOR A MINOR.*****SUMMARY:**

This bill requires certain individual and group health insurance policies to cover court-ordered custody evaluations of minors conducted by licensed psychiatrists or psychologists. Under the bill, a “minor” is an individual under age 18. The bill does not specify what constitutes a child custody evaluation.

The bill applies to individual and group health insurance policies delivered, issued, renewed, amended, or continued in Connecticut that cover (1) basic hospital expenses, (2) basic medical-surgical expenses, (3) major medical expenses, or (4) hospital or medical services, including those provided through an HMO.

EFFECTIVE DATE: January 1, 2016

BACKGROUND***Related Federal Law***

Under the federal Patient Protection and Affordable Care Act (P.L. 111-148), a state may require health plans sold through the state’s health insurance exchange to offer benefits beyond those included in the required “essential health benefits,” provided the state defrays the cost of those additional benefits. The requirement applies to benefit mandates a state enacts after December 31, 2011. Thus, the state must pay the insurance carrier or enrollee to defray the cost of any new benefits mandated after that date.

Due to the federal Employee Retirement Income Security Act (ERISA), state insurance benefit mandates do not apply to self-insured

benefit plans.

COMMITTEE ACTION

Insurance and Real Estate Committee

Joint Favorable

Yea 16 Nay 2 (03/17/2015)